



PRESS RELEASE

Auckland property investors believe CGT will reduce prices but Auckland remains the preferred city for residential investing

March 2019

Crockers Property management have announced the latest results of the monthly survey of Auckland property investors it conducts in partnership with independent market research firm Ipsos.

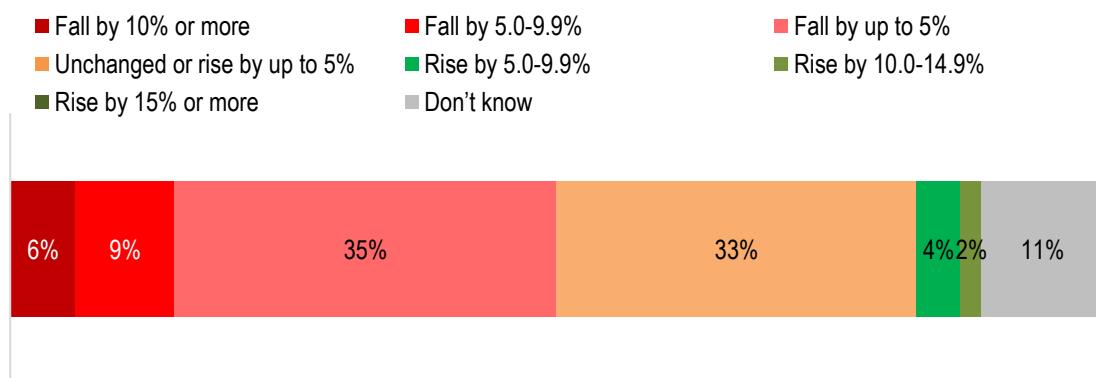
This month:

- Investors believe the biggest factor to impact residential property investment activity is the proposed capital gains tax (81%), followed by falling house prices (43%).
- Half of the Auckland investors surveyed expect house prices to fall over the next 12 months, whilst 33% believe prices will not change or rise by up to 5%, and another 6% of respondents expect house prices to rise by more than 5%.
- In terms of which regions offered the best opportunities for residential property investors, Auckland (51%) remains the clear leader, followed by Waikato (33%) and Northland (25%).
- This month both the **Auckland Rental Property Investment Index** and the **Auckland Rental Property Performance Index** have had a decline, as a result of an increase in the proportion of investors who intend to divest, coupled with an increase in those who believe the Auckland rental property performance will get worse.

House prices expected to fall

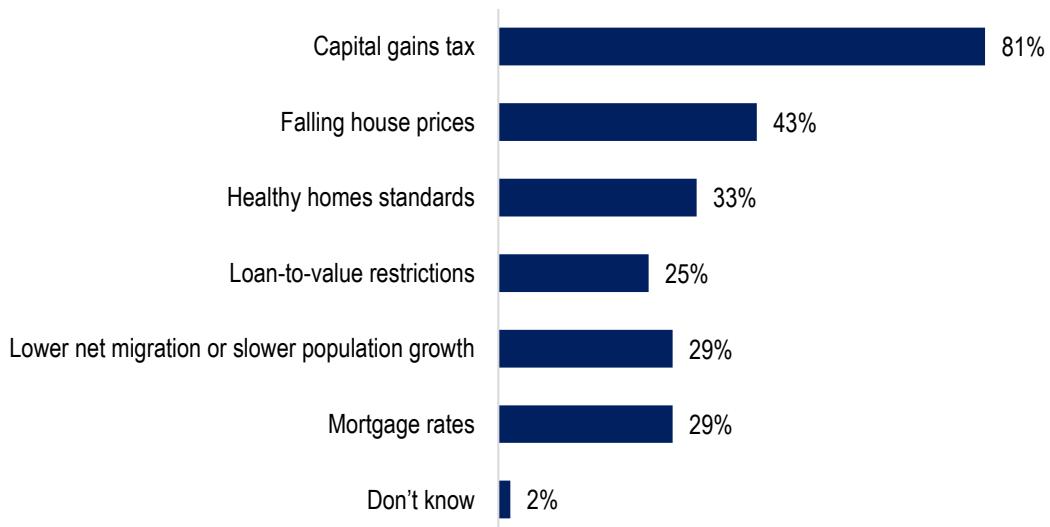
This month, Gareth Kiernan, Chief Forecaster at Infometrics, asked Auckland property investors for their opinions via the Crockers CPII survey. Kiernan found that half of the sample expected house prices to fall – likely as a consequence of a flattening house market in the past couple of months – whilst only 6% of respondents expected house prices to rise by more than 5%.

Expectations on Auckland house prices performance



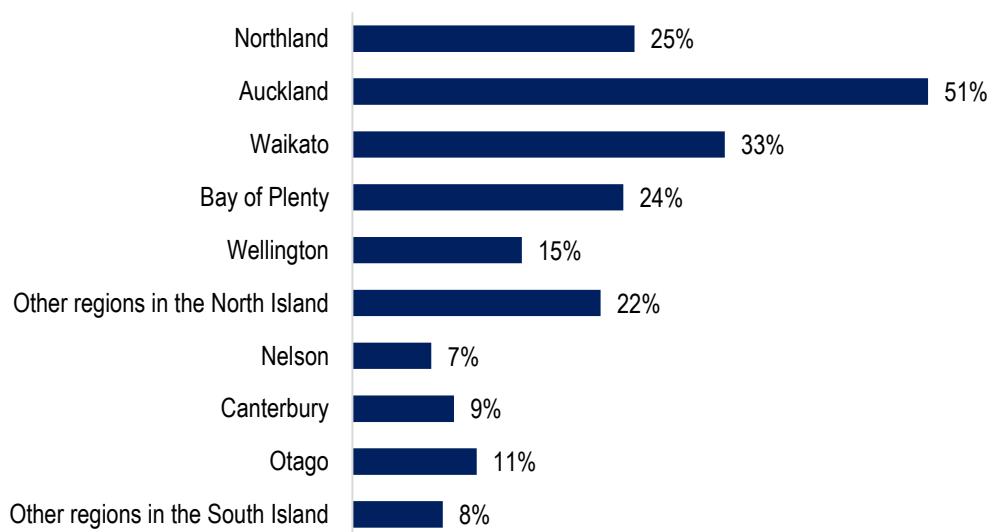
Respondents were also asked which factors they expected to have an impact on residential property investment activity over the next five years. Given the recent media activity, it is not surprising to see that 81% of respondents believe that the capital gains tax would have an impact on residential property investment activity, whilst falling house prices came in at almost half of this (43%).

Factors expected to have impact on residential property investment activity



When respondents were asked which regions they believed offered the best opportunities for residential property, just over half believed Auckland provided the best opportunities for investors. This was followed by the Waikato and Northland regions respectively. Nelson and ‘other regions in the South Island’ were seen as the least attractive for residential investors.

Regions believed to offer best opportunities for residential property investors



Crockers Property Investment Index

Auckland Rental Property Performance Index

Both the **Auckland Rental Property Investment Index** and the **Auckland Rental Property Performance Index** have experienced a decrease this month. This is because investors are increasingly pessimistic, expecting their rental property investment performance to deteriorate, and increasingly looking to divest as a result.

